



FEDERAL ELECTION COMMISSION  
WASHINGTON, D C 20463

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**JUN 13 2007**

Mark Ferrandino, Treasurer  
Colorado Democratic Party  
777 Sante Fe Drive  
Denver, CO 80204

RE: MUR 5916  
Colorado Democratic Party and  
Mark Ferrandinao, in his official  
capacity as treasurer

Dear Mr. Ferrandino.

In the normal course of carrying out its supervisory responsibilities, the Federal Election Commission (the "Commission") became aware of information suggesting the Colorado Democratic Party (the "Committee") and you, in your official capacity as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended (the "Act") On May 17, 2007, the Commission found reason to believe that the Committee and you, in your official capacity as treasurer, violated 2 U.S.C. § 434(b), a provision of the Act Enclosed is the Factual and Legal Analysis that sets forth the basis for the Commission's determination.

We have also enclosed a brief description of the Commission's procedures for handling possible violations of the Act. In addition, please note that you have a legal obligation to preserve all documents, records and materials relating to this matter until such time as you are notified that the Commission has closed its file in this matter. See 18 U.S.C. § 1519. In the meantime, this matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

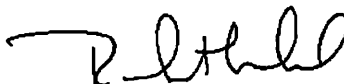
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If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed Designation of Counsel form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

We look forward to your response.

Sincerely,



Robert D. Lenhard  
Chairman

Enclosures  
Factual and Legal Analysis  
Procedures  
Designation of Counsel Form

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**FEDERAL ELECTION COMMISSION**  
**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** The Colorado Democratic Party  
and Mark Ferrandino, in his  
official capacity as treasurer

**MUR:** 5916

**I. BACKGROUND**

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See 2 U.S.C. § 437g(a)(2).

**II. FACTUAL AND LEGAL ANALYSIS**

The Colorado Democratic Party is the state committee of the Democratic Party in Colorado, as defined at 2 U.S.C. § 431(15) and 11 C.F.R. § 100.14(a). In 2004 and 2005, the CDP filed amendments to four of its reports to the Commission, disclosing additional receipts and disbursements totaling \$2,210,484.22. In addition, there is a \$69,671.71 discrepancy between the ending cash-on-hand balance reported by the CDP in its 2003 Year-End Report and the beginning cash-on-hand balance reported by the CDP in its next-filed report, the 2004 April Quarterly Report. For the reasons discussed below, there is reason to believe that the Colorado Democratic Party and Mark Ferrandino, in his official capacity as treasurer (the "CDP"), violated 2 U.S.C. § 434(b) by failing to accurately file reports of receipts, disbursements and cash-on-hand balances as required by the Federal Election Campaign Act of 1971, as amended ("the Act").

The CDP amended four of its reports filed with the Commission, revealing receipts and disbursements that it omitted from the original reports. Those reports and relevant amendments are summarized in the following chart:

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Report	Date Filed	Date Amended <sup>1</sup>	Additional Receipts and/or Disbursements
2003 Mid-Year	July 30, 2003	June 26, 2004	\$325,700.00
2004 October Monthly	October 21, 2004	August 7, 2005	\$360,316.00
2004 Pre-General Election	October 22, 2004	August 8, 2005	\$949,253.86
2004 Post- General Election	December 3, 2004	September 2, 2005	\$575,213.38
TOTAL			\$2,210,484.22

In addition to inaccurate reports of receipts and disbursements, there is a discrepancy in the ending cash-on-hand balance reported by the CDP in its 2003 Year-End Report and the beginning cash-on-hand balance reported by the CDP in its next-filed report, the 2004 April Quarterly Report. In the 2003 Year-End Report, filed on January 30, 2004, the CDP reported that its ending cash-on-hand balance was \$99,994.64. However, on April 15, 2004, the CDP filed its 2004 April Quarterly Report and disclosed a beginning cash-on-hand balance of \$30,322.93, a discrepancy of \$69,671.71.<sup>2</sup>

The Reports Analysis Division ("RAD") RAD sent Requests for Additional Information ("RFAs") asking that the CDP explain the reported increases in financial activity. RAD also requested an explanation regarding the discrepancy between the 2003 Year-End cash-on-hand balance and the beginning cash-on-hand balance reported in the 2004 April Quarterly Report. After it received no response to the RFAs, RAD followed up with the CDP with phone calls. A

<sup>1</sup> The "dates amended" for the reports in question represents the final amendment to each report, and includes total additional reported receipts and disbursements. The CDP amended each of these reports numerous times prior to the "dates amended" indicated here. However, pursuant to the Commission's Regulations, none of the previous amendments were filed in time to fall within the "late-filed" category, rather than the "non-filed" category. See 11 C.F.R. § 111.43(e)(1) and (2).

<sup>2</sup> On July 15, 2005, the CDP filed an amendment to its 2004 April Quarterly Report that reported a beginning cash-on-hand balance of \$30,526.67.

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representative from the CDP explained that the discrepancy in the cash-on-hand balance was simply the result of accounting errors, while the increased activity was the result of "a large increase in the number of transactions undertaken by the committee in a relatively short period of time. The situation was compounded by the fact that most of the general election campaign activities were conducted out of a satellite office set up for the general election campaign " The representative also stated "the committee did not receive monthly bank statements in [sic] which to verify information on the report prior to the report deadline." The representative also admitted that the former compliance staff made several errors during previous reporting periods, and assured the RAD analyst that the organization has taken steps to "more accurately disclose its activity on the original reports for the next campaign cycle "

The treasurer of a political committee must file reports of all receipts and disbursements in accordance with the Act 2 U.S.C. § 434(a)(1). A committee filing on a quarterly schedule, in a calendar year in which a regularly scheduled general election is held, shall file reports no later than the 15<sup>th</sup> day after the last day of each calendar quarter (on April 15, July 15 and October 15) and each report shall be complete as of the last day of the calendar quarter for which the report is filed. 2 U.S.C. § 434(a)(4)(A)(i), 11 C.F.R. § 104.5(c)(1)(i) The committee must also file a pre-election report no later than the 12<sup>th</sup> day before such election, which discloses all receipts and disbursements as of the 20<sup>th</sup> day before a primary or general election, and a post-election report no later than the 30<sup>th</sup> day after the general election 2 U.S.C. § 434(a)(4)(A)(ii) and (iii); 11 C.F.R. § 104.5(c)(1)(ii) and (iii). Such reports shall also disclose the total amount of all receipts and disbursements for that reporting period and calendar year 2 U.S.C. § 434(b)(2) and (4)

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The CDP did not comply with these reporting requirements when it failed to disclose \$2,210,484.22 in receipts and disbursements in its original 2003 Mid-Year Report, 2004 October Monthly Report, 2004 Pre-General Election Report, and 2004 Post-General Election Report. Further, pursuant to 2 U.S.C. § 434(b)(1), in order for there to be an accurate reporting of the amount of cash-on-hand, the ending cash-on-hand balance from the 2003 Year-End Report should be the same as the beginning cash-on-hand balance reported in the 2004 April Quarterly Report. Despite amendments to the 2004 April Quarterly Report filed on July 9, 2004, November 10, 2004, February 16, 2005, and July 15, 2005, the CDP has not corrected the discrepancy in the reported cash-on-hand balances.

Based on the foregoing, there is reason to believe that the Colorado Democratic Party and Mark Ferrandino, in his official capacity as treasurer, violated 2 U.S.C. § 434(b).

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